

DAILY COLLECTION OF MARITIME PRESS CLIPPINGS 2010 – 006



Number 006 * COLLECTION OF MARITIME PRESS CLIPPINGS *** Wednesday 06-01-2010**

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stevedoring & warehousing		<p>INDUSTRIAL BREAK BULK PROJECT CARGO HEAVY LIFTS UP TO 1500 M/TONS</p> <p>ISPS CERTIFIED</p>	
SHORECRANES UP TO 208 M / TONS			
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The m/tug FARDELA arrived at Valparaiso - Chile on December 31st after a delivery voyage of approx. 10.500 nautical miles which started on November 3rd in Zhenjiang - China.

Photo : Redwise Maritime Services B.V. (c)

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The **MSC CAMILLE** seen arriving in Rotterdam-Europoort - Photo : Fred Vloo (c)

Shipping loan portfolio drops at \$410-420 bilion by end of 2009 from \$450 billion a year ago

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A series of factors like newbuilding cancellations which eliminated bank commitments have led to a significant reduction of the global shipping loan portfolio, which is estimated to have ended 2009 at approximately \$410-420 billion, down from about \$450 billion a year ago. Meanwhile, Hellenic ship lending (draw and undrawn) by the end of 2009 is expected to have fallen to approx. \$65bn, from \$73.2 billion at the end of 2008, according to a recent presentation by Petrofin Research in a conference by the Institute of Chartered Shipbrokers.

Among the reasons for these reductions, is a marked slowdown in fresh lending, but also the fact that the utilization of the natural run off of the loan book via repayments, vessel sales, pre-payments. Petrofin cites more reasons like merger and acquisitions, which reduced the number of banks from 40 down to 35. In other remarks the company said that during 2009 banks have exploited client asset cover breaches and / or restructures and / or limited fresh lending to increase their loan portfolio yields. "Bank losses and to a lesser extent loan provisions, have been minimized. Thus far, this conciliatory approach has been a winning strategy, but is still too early in the shipping cycle. Banks have been primarily occupied with their own capital adequacy and liquidity problems. Emphasis, thus far, has been to monitor shipping loan performance and assess loan provisions" said Petrofin.

Still, the dry bulk recovery in 2009, has supported banks' conciliatory approach. "However, the large fall in tanker vessel values and earnings is of growing concern. Greek bank exposure to the container market is limited. Widespread belief in the shipping industry that banks' attitude to waivers, restructures and non-performing loans shall harden in 2010" warns Petrofin. In other words, the banking sector is expected to play a more than crucial role in the future course that the shipping industry will chart. At the same, banks, especially those in Hellas, have been presented with a unique opportunity to further enhance their presence within the shipping market, which will provide them with increased profits in mid-term.

For the time being, it is estimated that the world's 32 biggest shipping banks controlled 90.5% of total loans by the end of 2008, or \$407.4 billion. Banks from Asia and the Middle East aren't taken into account, as they don't publish their relevant figures. Still, during the nine months of 2009 (January-September) new financing fell to just \$25.6 billion, from \$72.2 billion, during the same period of the previous year. Also, it's important to note that seven out of the 32 largest banks, representing 42% of market share or \$171.1 billion, are expected to significantly reduce their portfolios this year. Also, 12 banks holding \$90.5 billion of shipping loans (22.2% of total) seem to be keeping a neutral-non specific stance towards shipping financing. One of the most pressing concerns for banks is the global orderbook, new building deliveries and ship breaking activity. These factors will determine future tonnage supply, which could either turn things around for the shipping market, or be the reason of doom for ship owners. In the short term (i.e. the next couple of years), the market should be negatively influenced by lower ship values and earnings. At the same time demand for financing will continue to outpace supply, as banks will keep emerging from the recent crisis. But in the mid-term (3-5 years) ship values are expected to pick up, the orderbook will be significantly reduced and banks will enjoy a safer shipping loan portfolio with lower provisions, not to mention the general improvement of the banking sector as a whole. **Source : Nikos Roussanoglou, Hellenic Shipping News Worldwide**



The Danish flagged **SEA POWER** seen passing Flushing outward bound - **Photo : Rob van Deijk (c)**

Aetea Sierra crew's ordeal nears end - Piraeus court orders higher backpays

The ordeal of 12 Filipino officers and seamen, as well as of the Ukrainian and Montenegrin crew, manning the problematic Cayman Islands-registered Aetea Sierra will soon end with lawyers of the International Transport Federation (ITF) and the Philippine Embassy succeeding in convincing a Piraeus court to immediately settle the unpaid salaries of the ship's crew and to undertake arrangements for the crew to leave the ship and return home. The Piraeus court of first instance issued an order 21 December, directing the shipowner of cargo ship Aetea Sierra to pay the salaries of the crew, including the 12 Filipinos on board. Eleven of them were represented by ITF lawyers and one, Jesus Hantic, was represented by Atty. Christos Moschos, a lawyer provided by the Philippine Embassy's Philippine Overseas Labor Office.

A favorable element of the court's order was its directive to the shipowner to pay the entire crew salaries at prevailing Greek standards, rather than the salaries specified in the crewmen's original contracts. According to Atty. Moschos, in the case of Mr. Hantic, he stands to receive about \$26,000 – or more than four times the salary provided in his POEA contract, using Greek salary standards. Should the ship owner fail to pay the crew, the ship would be held for public auction. Next to taxes, the wages of the crew enjoy preference in payment from the proceeds of the sale. If the sale becomes necessary, the process is expected to take from one to one and a half months.

The return home of the Filipino crew is being arranged. Eleven of them have completed their contracts and have indicated the wish to go home. They can leave as soon as a replacement crew takes over the ship. Under the law of the seas, officers and seamen are bound not to abandon a ship unless there is a relief crew. However, Greek regulations require that the ship be manned by seafarers from the Common Market (EEC or European Community). To date, however, the ship owner is unable to fulfill the requirement but it is seeking permission from the Greek Ministry of Mercantile Marine to hire from Ukraine or Sri Lanka to facilitate the early return of the Filipino seamen. If necessary, the Embassy may consider requesting the Greek Ministry to allow the Filipino seamen to go home even before the arrival of the relief crew. The Filipino crew are 2nd mate Jose Cardenas, 2nd engineer Gardner Monte, 3rd engineer Jesus Hantic, oiler Wilfredo Ranara, oiler Ric Leano Camina, AB Florvic Labaco, AB Gil Jhun Moneva, AB Constrnacio Cubay, Jr., 2nd Cook Primo Fernandico, messman Erolin Chiong Jr., messman Jerry Laride, and deckman Julius Caesar Flores. The Aetea Sierra was impounded in the Piraeus Port in September near Athens when a case was filed against its owners by the ship charterers for its alleged failure to unload the cargo at the agreed port (not in Greece). Contrary to rumors, the ship crew were being regularly supplied with the normal provisions, with Greek port authorities quite strict in monitoring the quality of food and water delivered to ship crewmen by Greek companies engaged in such business.

The Philippine Embassy's Labor Attache George Eduvala and even the Consul General Constancio Vingno, were in regular cellphone communication with Jose Cardenas, the highest ranking Filipino officer, and with other crewmen to determine what the crew needed. Labor attaché Eduvala had early talked to the entire crew to explain to them their options. When Mr. Hantic refused to agree with the 11 other Filipino crewmen to contract the ITF lawyer, labor attaché Eduvala provided him with a Greek lawyer who had an excellent record in handling cases of seamen in Piraeus. The embassy also delivered Filipino foodstuffs and other provisions to the crew, who were on the ship moored about 20 kilometers off Piraeus. Philippine Ambassador to Athens Rigoberto Tiglao had written a note verbale to Greek authorities to allow the Filipino crewmen to immediately return home, even with only a skeletal crew on the ship. **Source: Philippine Embassy in Athens**



Ijsbrekers houden IJsselmeer open

Rijkswaterstaat heeft ijsbrekers ingezet op het IJsselmeer. Op deze manier wordt de hoofdvaarroute tussen Amsterdam en Lemmer opengehouden. Dat heeft Rijkswaterstaat maandag bekendgemaakt.

Drie ijsbrekers houden de hoofdvaarroute vrij en begeleiden vrachtschepen die zo een veilige en vlotte doorvaart kunnen maken. Het is in deze periode verboden voor schepen tot 20 meter om over het Markermeer, IJsselmeer en de Randmeren te varen. In verband met het ijs zijn de meeste lichtboeien in het IJsselmeergebied vervangen door boeien in beton die bestand zijn tegen ijs, maar niet voorzien zijn van lampen. Rijkswaterstaat zette ook vorig jaar ijsbrekers in om de vaarweg open te houden.

Philippines orders anti-piracy training for its sailors to help curb Somali ship attacks

The Philippines has ordered its seafarers, who constitute about a third of the world's commercial sailors, to go through anti-piracy training before they will be allowed to board ships, the labor secretary said Monday.

The training, which lasts about eight hours, will be mandatory starting Jan. 15. The measure is a response to a wave of ship hijackings, which remain a serious problem a year after an international naval armada began operating off Somalia to protect shipping lanes. Labor Secretary Marianito Roque said sailors will be taught how to use fire hoses and maneuver their vessels to prevent pirates from boarding them. They will also learn how to manage hostage crises if they are taken captive.

"Everyone who will be deployed on board a ship will go through the training," Roque told The Associated Press.

Recruiting agencies will conduct the training and issue a certificate required by the government prior to a seafarer's departure, Roque said. The program is based on one used by the International Association of Independent Tanker Owners, which operates about 80 percent of the world's tankers.

Sailors will not be armed and training classes will not include the handling of firearms, said Capt. Rex Recomite, a manager at the Norwegian Training Center in the Philippine capital, Manila.

The course will teach sailors how to detect approaching pirates and who to communicate with in case of an attack, he said. The guidelines include telling sailors to go full speed ahead in case the crew detects small vessels nearby, and to avoid sailing near coastlines, Recomite said.

The Philippines supplies about a third of the 1.5 million commercial seafarers worldwide. Somali pirates have kidnapped 470 Filipinos since 2006, and are still holding at least 74 aboard six ships, said Foreign Affairs Undersecretary Esteban Conejos. **Source : Startribune**



Pirates still hold Berlian ship off Somalia, says Indonesia

Pirates are still in control of a chemical tanker chartered by Indonesia's biggest shipping company, PT Berlian Laju Tanker, which they seized on Jan 1 in the Gulf of Aden, an Indonesian government spokesman said yesterday.

'They've taken the boat to Somalia, where the situation is dysfunctional with tribal lords in power who may not have access to the specific pirates,' said Teuku Faizasyah, a spokesman at the Indonesian Foreign Ministry. The vessel is a Singaporean-flagged chemical tanker owned by a Norwegian company, he said. 'What we can do now is collect information. The negotiation now is between the pirates and the ship owner without government involvement,' Mr Faizasyah said.

MT Pramoni, a vessel of 19,900 dead-weight tons, was on its way to Kandla, India when it lost contact, Berlian director Kevin Wong said in a statement on Sunday. Calls to Mr Wong yesterday weren't immediately answered. The European Union Naval Force Somalia, known as EU Navfor, said on Jan 1 that the ship's master had reported that 24 crew members, comprising 17 Indonesians, five Chinese, a Vietnamese and a Nigerian, were well.

Some 20 warships from the EU, the North Atlantic Treaty Organization and other countries patrol off Somalia, concentrating on the Gulf of Aden, a chokepoint leading to the Suez Canal that's used by 30,000 ships a year carrying about a tenth of world trade. Somali pirates now hold at least 12 ships, according to EU Navfor information and Bloomberg calculations.

The last known hijacked ship in the Somalia area was British-flagged Asian Glory carrying 25 crew members. **Source : Bloomberg**

Hong Kong-flagged CSCL Hamburg hit the reef

As reported earlier this week the 260m-long, Hong Kong-flagged **CSCL Hamburg** hit the Wodhouse Reef, between the Sinai coast and Tiran Island, in the Northern Red Sea on the morning of New Year's Eve.

Damage is reportedly limited to the bow area, but could be severe as the ship ran on to the reef at speed. Diving operators and others are relieved that, so far, there appear to have been no leakages from the hull.



Photo : John Kean

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The extent of damage to corals has yet to be assessed. If it transpires that damage is beyond repair, the vessel, once its cargo has been unloaded, might be patched up sufficiently to be dragged off and sunk locally.

The resulting, inadvertently created artificial reef and diving attraction would be more than twice as large as the region's legendary **Thistlegorm** wreck. John Kean, a Sharm El Sheikh-based PADI and TDI diving instructor and author of the book **SS Thistlegorm**, saw events unfold from a dive boat some way off, before moving in for a closer look.

"The ship passed the first reef, Jackson, at 10am and instead of continuing past Gordon Reef, the last of the four reefs in the Tiran Straits, it inexplicably attempted to navigate between the middle two reefs, Woodhouse and Thomas," he told DiverNet.

"The gap here is less than 80m. The ship, with a beam of 32.3m, struck Woodhouse Reef just 50m from its end but went hard on to the top by a distance of around 25m." Possible explanations are that the ship's captain thought that there were no more reefs after Jackson, and/or was under the impression that lighthouses on each of Gordon and Jackson were there as a channel guide.

After the grounding, Kean and his companions overheard VHF radio communications between the ship's captain and the authorities. The captain said that no fuel or oil leakages appeared to have occurred, and that pumps were at work to deal with water ingress which was limited to the bow area, due to the ship's watertight compartments. The Straits of Tiran are popular with scuba divers coming out of Sharm El Sheikh, for the scenic drift diving that can be had in the vicinities of Woodhouse, Jackson, Gordon and Thomas Reefs. The grounding of the **CSCL Hamburg** comes soon after the loss of two diving vessels in the area.

An Egyptian liveaboard, **Coral Princess**, sank in open water near Jackson Reef in late November, with the loss of two diving guests from Spain. This was followed in mid-December with the loss of **Emperor Fraser**, one of the Emperor Divers fleet, on Dunraven Reef, near Sharm El Sheikh.

The **CSCL Hamburg** is a nine-year-old vessel. Research by Kean has established that the grounding is its second major incident within two years. "On the fifth of March 2008 the ship struck the Chinese ship **Lian Hua Feng** in the South China Seas, sending four of its containers crashing down on to its bow and damaging the anchors," he said.

"Navigational error was blamed as a result of VHF radio use to ascertain the intentions of the other ship."

Source : DiverNet



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Ship-Breaking Policy A Top Priority

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Sheikh Hasina has said the government will formulate a policy for the hazardous ship-breaking industry "immediately". The prime minister's statement, at the national convention of the Institute of Engineers, Bangladesh (IEB) in Chittagong, comes in the wake of deaths of four workers in an explosion at a ship-breaking yard last month and continued environmental concerns regarding the industry. "We (the government) are not against the ship breaking industries, but that should not be at the cost of environment." "Stern actions will be taken against those who are involved in tree felling in the coastal areas," Hasina warned. She urged all the people of the country to be conscious of the changing environment as Bangladesh is the most affected by climate change.

Criticising the previous interim government for high inflation, Hasina said, "We have brought down the price of rice and fertiliser." She also blamed the previous tenure of BNP government for "pushing the country to 20 years back in their seven years of rule". IEB central secretary, engineer SM Nazrul Islam, presided over the inauguration of the convention, organised at the IEB's Chittagong headquarters. Industry minister Dilip Barua, employment minister Khandaker Mosharraf Hossain, state minister for environment and forest Hassan Mahmud, state minister for public works and housing Abdul Mannan Khan were also present at the convention.

Hassan Mahmud, following the fatal accident last month, had said the government would set up a specific zone for ship-breaking yards at Sitakunda in Chittagong and introduce regulations for better environmental and safety standards. He also said the government was framing a policy in coordination with labour, industries, environment and shipping ministries keeping in view the hazards of ship-breaking, worker safety and the interest of yard owners. Ship breaking in Bangladesh is tagged as hazardous on account of poor worker safety and threat to coastal environment including illegal logging to make way for the breaking yards as well as pollution from toxic wastes on scrap ships. **Source: bdnews24**



The **HELLESPONT DEFIANCE** seen moored in Cape Town
Photo : Aad Noorland ©

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Mothership found

A Pakistani fishing vessel hijacked with 29 crew a month ago was used as a mothership to seize a Zodiac Maritime Agencies car carrier last week, it has emerged. The vessel, named **Shahbaig**, was abandoned by pirates 900 miles north of the Seychelles on 1 January after it was used to hijack the 4,363-vehicle-capacity **Asian Glory** (built 1994). The Zodiac-owned ship, which has 25 crew onboard, has now reached the Somali coast and is being held at the Puntland pirate stronghold of Hobyo. The French warship **Sourcouf** was sent to intercept the **Shahbaig** 600 miles east of Somalia. Twenty eight of the Pakistani crew were found to be in good health with one suffering from a broken leg.

"The injured crew member, whose injuries are not life threatening, has received medical attention onboard the [**Sourcouf**] and will remain onboard until he can be transferred to a hospital," a statement from counter piracy coordination force EU NAVFOR read on Tuesday.

The **Shahbaig** crew was provided with full medical attention, water, food and fuel to continue their journey to Pakistan." The trawler was seized 320 miles east of the Yemeni island of Socotra on 5 December.

The UK-flagged **Asian Glory**, which was en route from Singapore to Saudi Arabia, was the second Zodiac-owned ship to be seized by Somali pirates in the space of four days. On 28 December the 13,900-dwt chemical **tanker St James Park** (built 1993) was taken in the Gulf of Aden while en route from Spain to Thailand.

Somali pirates often use hijacked fishing vessels as motherships from which to stage other attacks. Once such Taiwanese unit, the **Win Far 161**, is still being used for this purpose having been hijacked near the Seychelles on 6 April. **Source : Tradewinds**

Bodies in sunken ship trapped under tables, bunker beds

Coast Guard operatives were still having a tough time retrieving bodies left trapped inside the sunken **MV Catalyn B** despite the use of a remotely operated vehicle (ROV) to scour the depths for the retrieval operations. A Coast Guard official from the public information office in Manila said the bodies, as spotted through the ROV, were trapped under tables and bunker beds, hence making it difficult for deep-sea divers to retrieve the remains. "They (divers) have to study the location of the bodies and how to carefully pull them out (so as) not to tear off the body parts," said the official, who requested anonymity for not having been assigned as the official spokesperson of the Coast Guard.



The official said the remaining bodies were trapped inside the wreck, unlike the two bodies recovered on Saturday that were found on the wreck's surface. Asked to confirm the sighting of four more bodies inside the wreck over the weekend, "there could be, but we do not really count them until the bodies are retrieved," said the source. Lieutenant Commander Arman Balilo, the Coast Guard spokesman, denied the sighting of four more bodies in a cell phone interview.

Coast Guard officials had to halt the retrieval operations until Wednesday. The official told the Philippine Daily Inquirer that a prescribed number of hours for deep-sea diving prompted them to suspend the retrieval operations as exceeding the hours could pose risks to the divers. Rough waters in the seas also delayed the operations, the Inquirer source added. The team that first dove into the waters was composed of six Coast Guard operatives, an expert operator of the ROV, and Captain Matt Caldwell of the Coast Guard Auxiliary. **Source : Inquirer**

FALMOUTH COASTGUARD ASSIST IN LONG DISTANCE RESCUE

Falmouth Coastguard received a distress message via satellite communication from the fishing vessel **Tolirova**.

The Coastguard plotted the vessels position as being approximately 1200 nautical miles west of the Chilean Coastline in South America. After notifying the Chilean Coastguard, Watch Officers at Falmouth were requested to assist and were able to contact the vessel via satellite voice communication and the vessel confirmed that they were sinking with 20 people on board.

After contacting the US Coastguard and requesting notification of any vessels in the vicinity of the distress vessel, Falmouth Coastguard sent a distress relay message to all vessels within a 300 nautical mile radius of the fishing vessels position.

Falmouth was then contacted by the motor vessel **Ma Cho** who was approximately 80 nautical miles from the sinking vessels position and she was asked to proceed to the site of the sinking. The research vessel **Thomas G Thompson** was also requested to proceed but it was clear that due to the distances both vessels would take up to 12 hours to arrive at the distress position.

The **Tolirova** was eventually assisted by the fishing vessel the **Playa Muino Vello** who successfully rescued all 20 persons from the sinking fishing vessel. **Source : MCA**

Owner, captain of M/V Baleno 9 missing

Maritime authorities are tracking down the owner of Besta Shipping Lines and the ship captain of the sunken M/V **Baleno 9**, which claims the lives of six persons, after their whereabouts remain unknown. "The owner of **Baleno 9** is not cooperative. We cannot find him," Undersecretary Elena Bautista, Maritime Industry Authority (Marina) administrator said in a radio interview.

Bautista said her office made "several attempts to contact the ship owner, Pedro Ang, through phone calls and personal visits" but to no avail. The Marina administrator also said Jimmy Andal, ship captain of passenger-cargo roll-on, roll-off (Ro-Ro) M/V **Baleno 9**, could have been either in hiding or survived or trapped inside the vessel. "We asked the survivors for possible sightings of Andal but none of them could tell us where the captain is...It is possible that he was trapped inside the sunken vessel or he could be hiding or survived," Bautista said.

Since the sinking of the 199-gross ton steel-hulled-vessel near Verde Island on December 26, Andal remained missing as no one could give information to his whereabouts. As of Saturday noon, death toll still stands at six and 47 were reported missing. Survivors said it sank off when water seeped into the vessel's bow, causing the ferry to tilt on the side and sink. Marina sent a letter to Ang, asking him to comply with the five-day deadline on coming up with a concrete timeline for the search and retrieval of the 47 missing passengers. The deadline ends on Monday.

It can be remembered that the Philippine Coast Guard (PCG) suspended two executives over the tragedy. Temporarily relieved were Petty Officer 1 Danilo Sanchez, the commander of the agency's detachment in Calapan, Mindoro; and Petty Officer 2 Rizal Maligaya, the clearing officer who received the Masters' Oath of Safety Departure (MOSD). "This does not mean that they are guilty. The purpose is not to influence the on-going probe of the Board of Marine Inquiry. They are relieved pending investigation," he said. Tamayo said the vessel was not overload at the time of the sinking as it only carried 124 passengers and crews while its capacity was 284.

The PCG meanwhile retrieved two more bodies Saturday from the sunken M/V **Catalyn B** that remained lying 221 feet off Limbones Island. Lieutenant Commander Armand Balilo, PCG spokesman, said the retrieval of the two bodies brought the number of fatalities to five, 22 missing and 46 survivors. Captain Matt Caldwell, who holds the rank of captain in the PCG Auxiliary, retrieved the bodies of about 30-year-old male and about 20-year-old female. They remained unidentified as of this posting. PCG retrieval operation team used the Remote Operating Vehicle (ROV) to the

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site on Friday to get a clearer picture of the condition of the ship and the bodies submerged below. The team earlier spotted 12 bodies, including two children, who were trapped inside the ship.

However, the ROV's generator malfunctioned resulting to the deletion of all the pictures taken and making the operation useless. The pictures taken by the ROV will be used as the basis in the retrieval plan of the bodies still trapped in the sunken ship. The PCG has also shifted from rescue to search and retrieval of the 24 missing passengers of **M/V Catalyn B. M/V Catalyn B**, owned by Nicolas Shipping Lines, collided with fishing vessel **F/V Anatalia** at the vicinity of Limbones Island while on the way out of the Manila Bay on December 24, hours after it left Pier 2 of North harbor. It was bound for Tilik, Lubang Island, Mindoro when the collision happened. President Gloria Macapagal-Arroyo ordered last week the suspension of the two shipping outfits, San Nicolas and PhilMariner Aquaventures Corporation with a pending investigation of the mishap **Source : Sun Star**



The **SEAQUEST** seen arriving in Willemstad (Curacao)

Photo : Kees Bustraan - community.webshots.com/user/cornelis224 (c)

CASUALTY REPORTING

Eighteen feared dead as boat capsizes in east India

At least 18 New Year's revelers, including seven children, were feared drowned after an overcrowded boat capsized in a river in eastern India, officials said Monday. About 29 people were on board the small boat when it capsized late Sunday in West Bengal state's Kolaghat town, about 60 km (37 miles) from Kolkata, the state capital.

"Operations are on to trace bodies and chances of rescuing any more survivors looks slim," C.D. Lama, a senior government official, said after 11 people were rescued by fishermen. **Source : Reuters**

NAVY NEWS

US Navy aircraft carrier joins in rescuing boater off N.C.

Hours after leaving Virginia en route to the Indian Ocean, the **USS Eisenhower**, a Navy aircraft carrier, changed course Saturday to rescue a shipwrecked sailor, authorities said. The Coast Guard said it received a distress signal at

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5:07 p.m. from the sailboat Gloria a Dios, off the North Carolina coast. The boat had been taking on water for three days as a result of storms, and its skipper, Dennis Clements, needed help, the Coast Guard said.

In coordination with the Navy, the Coast Guard said it identified the **Eisenhower**, which had left its Norfolk home port at 10:30 a.m. Saturday, as the best way to rescue Clements from the Atlantic Ocean about 280 miles east of Cape Hatteras.



"They needed someone there super quick," Navy Lt. John Supple, an assistant public affairs officer, said Sunday night from the ship. "We went pretty much as fast as we could go." A Coast Guard airplane dropped a life raft near the sailboat about 9:30 p.m. after a large wave caused heavy damage.

"It was very dark, very windy," and snowing and sleeting when a rescue helicopter from the Eisenhower reached the scene after a flight of about 135 miles, Supple said. Kyle Need, a naval aircrewman, was lowered from the helicopter. He and the shipwrecked sailor were then lifted back into the helicopter for the flight to the **Eisenhower**.

By that time, a Coast Guard helicopter had landed on the **Eisenhower**. The

sailor was checked by an **Eisenhower** medical officer and flown to Elizabeth City, N.C., landing about 3:45 a.m. Sunday, authorities said. The rescue was unusual, Supple said, because the Coast Guard usually conducts such operations. But he said, "we were the closest ones." Of the 5,000 Navy personnel aboard the Eisenhower, about 3,000 list the Norfolk-Hampton Roads-Tidewater area as their current home, Supple said. The home town of the rescued sailor could not be learned immediately. **Source : Washington Post**

SHIPYARD NEWS

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Hyundai Heavy Industries delivers first Lloyd's Register-classed vessel of the year in Ulsan

Lloyd's Register, the world's first classification society, yesterday celebrated an unrivalled 250 years of technical service to maritime shipping when Korea's Hyundai Heavy Industries (HHI) delivered the first vessel of 2010 built to its class. **Pichincha**, a 105,000 deadweight tonne Aframax tanker, today became the first Lloyd's Register-classed ship to be

delivered from the world's shipyards this year; it was the second of two sisterships ordered by FLOPEC from the industry's biggest commercial shipbuilder by volume. "Completing 250 years under the same brand is a rare and admirable achievement. But, for Lloyd's Register, this year will not be about celebrating history. It will be about celebrating our ability to consistently support the development of the technical innovation and expertise that the market requires, often before the market requires it," said Luis Benito, Country & Marine Manager, Korea, for Lloyd's Register Asia. "Market insight and technical expertise have proven to be two of our most enduring products, and we expect that to continue. Because quality clients such as HHI and FLOPEC not only count on our unrivalled experience, they also expect us to provide solutions for the technical and regulatory challenges they will face in the future."

Pichincha, named after a legendary volcano near the Ecuadorean capital where local troops secured the country's independence from Spain in 1822, was built to IACS's Common Structural Rules and to the International Maritime Organization's new guidelines for ship recycling known as 'Green Passport', illustrating all parties' commitment to sustainable shipping.

"These ships are the realisation of the strategic plans for fleet growth we drew up five years ago; they will add commercial flexibility and expand our area of operations. We chose Lloyd's Register for their expert guidance in fields that were new to us: bigger ships and CSR rules. And, as an environmentally conscious company, one of our priorities was to ensure compliance with the environmental requirements of our traditional trading areas, California and US Gulf & East coasts," said Rear Admiral Aland Molestina, President of the FLOPEC Board and Commander in Chief of the Ecuadorian Navy. "We began building vessels at HHI more than 20 years ago, some of which are still sailing the world without any drawbacks. The availability of this design and timely building slots gave us confidence we would reach today's milestone, while assuring both quality and safety." Benito said the fact that this ship was built by Koreans for owners in Ecuador highlighted the extensive global network that allowed the Lloyd's Register Group to consistently provide a comprehensive suite of third-party assurance services to the full energy supply chain.

"The world of commerce has become increasingly global and in no industry is that more pronounced than in commercial shipping," he said. "To stay at the top of this industry as Lloyd's Register has for the past 250 years, you need to provide your clients with global support. But you also need to combine that with a deep understanding of local cultures and regulations." HHI, which has a global reputation for leading technical innovation, has been building ships to Lloyd's Register class since 1972. **Pichincha** is the 484th ship delivered by HHI to Lloyd's Register class, an elite family of ships which includes everything from very large crude and ore carriers to post-Panamax-sized containerships and the latest gas ships. HHI currently has 44 more ships contracted to Lloyd's Register class on its books.

Source: Lloyd's Register

Shipbuilding industry on the brink of closure due to sharpest-ever collapse of orders

The shipbuilding industry looks set for a rash of insolvencies as one of the sharpest-ever collapses in order levels combines with banks' reluctance to finance ship construction to starve many yards of cash. Only 28.8m deadweight tonnes (dwt) of ships were ordered between January and November in 2009, according to London-based Clarkson shipbrokers, against 272m dwt for the whole of 2007, the peak of the shipping boom. The dearth of orders means yards are barely receiving any of the down payments on new orders that previously smoothed out their cash flow. Half the orders placed this year have been in China, the world's number two shipbuilder, whose state companies are the only ship owners worldwide ordering vessels in any numbers.

The past year has already seen three shipyards in Korea, the world leader, several small yards in China, a yard in Japan, three German yards and a Norwegian and US yard file for insolvency. Denmark's only yard is to be closed. The crisis looks set not only to force more yards into insolvency but also to stymie plans to expand shipbuilding capacity further, with some of the proposed new yards in China unlikely to be built. The rush by the governments of major shipbuilding nations to support failing yards has also led to concerns that the industry faces years of chronic over-capacity and dependence on subsidy. Such conditions dogged the industry in the 1970s and 1980s.

"There is considerable concern all round," said Danny Scorpecci, secretary to the working party on shipbuilding of the Organisation for Economic Co-operation and Development. But he pointed to widespread disagreement between countries over whether the sector should receive state support and how much any intervention would distort a market

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that has seen plenty of distortion in the past. Supporters of state aid point to the government support received by other sectors of the economy, such as carmaking.

Until last year, yards were taking record order volumes because of optimism about growing trade demand. Since most markets are now over-supplied with ships - and hundreds of container ships are laid up out of use - hardly any new orders are being placed. Many owners have been forced to seek postponement of deliveries or cancellations because of the problems of raising finance for the final payments on orders. Charles Morrison, a director of London-based Braemar Shipping, said shipyards traditionally used initial down payments to finance work on ships that were being constructed. **Source: Financial Times**



Above seen the 2000 built MLT flag ferry **TA' PINU** entering Grand Harbour, Malta bound to drydock at Malta Shipyards Dock 5 on Saturday 2nd January 2010 making her the first vessel to dock at Malta Shipyards during year 2010.

Photo : Cpt. Lawrence Dalli - www.maltashipphotos.com ©

Sunny outlook at Daewoo Shipbuilding

Daewoo Shipbuilding & Marine Engineering Co, the world's second-largest shipbuilder, expects operating profit to rise to 1 trillion won (\$1.2 billion) this year as it builds more drill ships and offshore units.

Sales may rise to 12.4 trillion won this year, the company said yesterday in a regulatory filing. It didn't provide estimates for last year's operating profit and sales. The company forecast that orders may almost triple to US\$10 billion this year from US\$3.8 billion in 2009 as oil companies including Chevron Corp and Petroleo Brasileiro SA buy more offshore platforms and refineries to raise fuel exploration and production. Shipyards' orders for new vessels have slumped since the third quarter of 2008 because of a credit crunch.

'While the general thinking is that the shipbuilding and shipping industries have hit a bottom, it's too early to say whether they are on the road to recovery,' Nam Sang Tae, CEO of Daewoo Shipbuilding, said yesterday in a New Year's speech to employees. 'Competition is going to become much fiercer.'

The shipyard will announce 2009 earnings in February. The company's net income in the first nine months more than quadrupled to 494.6 billion won and operating profit rose 10 per cent to 484.2 billion won. Sales increased 25 per cent to 9.27 trillion in the nine-month period. The shipyard plans to invest more than 600 billion won this year to boost its wind-power and emission-reducing businesses, Mr Nam said in the speech. Korea Development Bank and Citigroup Inc last month were selected to arrange a sale of Daewoo Shipbuilding this year after an attempt was scrapped last year.

Source : Bloomberg

Shipyard investments cancelled

The Besiktas Shipping Group, a company active in ship building, repairs and maintenance services, has canceled plans to construct a shipyard in the Adana-Yumurtalık Free Trade Zone. The company, which started work on plans to construct the shipyard back in 2008, rented the 320,000-square meter plot of land in the Adana-Yumurtalık Free Trade Zone, according to Muharrem Pusat, director general of the zone. The firm had planned to build the largest maintenance and repair shipyard on the Mediterranean. The group has developed itself greatly recently, obtaining an Environmental Impact Assessment, or EIA, report from the International Association for Impact Assessment, said Pusat. However, due to the impact of the global economic crisis, the company notified the zone of its decision to cancel investment plans. Pusat said another shipping company, Palyat Denizcilik, also decided to back out of investing in the zone. The move follows the decision of shipping companies Med Marine and Hisarlı Denizcilik which also canceled plans to invest in the region. Akdeniz Gemi İnşa Sanayi, a subsidiary of Akbaşıoğlu Shipping Group, is still operating in the region, Pusat said. Ugod Uğursan of Uğursan Shipping Group and Tersan Tersanecilik continue to hold studies on investment in the zone, he said. **Source: Hurriyet Daily News**



The hull (YN 571631 - Shoalbuster 3611) of the **Bever** under construction for Viegers which arrived last week in Gorinchem as reported was pulled onshore at the Damen yard in Gorinchem for final outfitting

Photo : Arie Boer ©

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Oceaneering Announces New Build Diving Vessel

Oceaneering International, Inc. Announced it has commissioned the construction of a dive support vessel (DSV) with an estimated capital cost of \$17 million. Oceaneering expects delivery of the 200 foot by 46 foot vessel from a U.S. Gulf Coast shipyard late in the fourth quarter of 2010. The new vessel will replace the **Ocean Project**, which was built in 1972.

This state-of-the-art DSV will be U.S. flagged and outfitted to perform subsea inspection, repair and maintenance (IRM) services and support construction operations in the Gulf of Mexico. The vessel will have built-in diving equipment, including a dive control system and decompression chambers, to maximize the availability of deck space for job specific equipment and to ensure safe working conditions. It will have accommodations for 50 personnel and be equipped with a 40-ton crane, a working moon pool, and a four-point mooring system enabling operations in 700 feet of seawater.

T. Jay Collins, President and CEO, stated, "This purpose-built DSV will allow us to continue to support demand for our shallow water IRM and construction support services. There are over 3,500 platforms and approximately 20,000 miles of pipelines in use in the Gulf of Mexico that we believe will need servicing for the indefinite future."

Source : Oceaneering International

DP World to go ahead with London Gateway

Port operator DP World DPW.DI will go ahead with the foundation stage of its postponed London Gateway project despite the market downturn, it said on Monday. The unit of debt-laden state-owned holding company Dubai World said it had decided to proceed with the construction of essential infrastructure for the planned port and logistics park. "DP World will continue to review the development of the port and park operations in line with market demand," it said in a statement.

The company, which is not part of its parent's restructuring plans, on Monday bought further development land and Royal Dutch Shell's remaining interest in the project for 136 million pounds (\$219 million), it added. London Gateway is a planned 1.5 billion pounds deep-sea container port incorporating Europe's largest logistics park, located on the north bank of the river Thames, about 25 miles from central London. Source: Reuters



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The new traffic center for VTS (East) in Rotterdam.

Photo : VTS operator J. van Drongelen (c)

Port and dock workers withdraw strike proposal

The employees' unions belonging to AITUC and HMS and other organisations have withdrawn the proposed indefinite strike in Visakhapatnam Port from the midnight of Monday following an assurance from the Shipping Secretary to consider their demand for payment of arrears on allowances with effect from January 1, 2007.

The five federations, which had served strike notices in all the 11 major ports including the Visakhapatnam Port, announced change in their decision following an appeal by Shipping Secretary K. Mohandas and Central Chief Labour Commissioner S.K. Mukhopadhyay. AITUC leader V.V. Rama Rao and HMS leader D.K. Sarma are in New Delhi for wage revision talks even as Mr. Mohandas promised to consider payment of allowances and arrears with retrospective effect.

The union leaders explained to Mr. Mohandas that 1.20 lakh employees in 11 major ports had handled 281 million tonnes in 2000 as against 573 million tonnes by 60,000 employees in 2009. **Source : The Hindu**



The **ALCEM LUGAIT** seen arriving in Devonport – Tasmania to load cement

Photo : Cody Williams (c)

The sailing ship **WILLEM BARENTSZ** will again be offering a summer ferry service across the IJsselmeer between Enkhuizen and Urk.

The service runs from 5 July to 14 August, leaving Urk at 0845 and 1515, and Enkhuizen at 1115 and 1815, daily except Sundays; the 0845 and 1815 trips are under power, and others partly under sail.

http://www.willem-barentsz.nl/html/veerdienst_urk_enkhuizen.html



The **THAMESBANK** which was enroute Antwerp for drydocking performed a small "demo" when passing Terneuzen for the shipspotters – thanks guys for the show

Photo : Alain Dooms – www.tugspotters.com ©

Thousands of passengers, vehicles stranded in Calapan City

At least 2,000 ferry passengers were stranded at the Calapan port as of 11 a.m. Monday, as available vessels were not enough to accommodate the surge of travelers trying to get back to work from the holidays, officials said on Monday.

This as port officials began implementing stricter boarding regulations following a series of sea accidents this holiday break, said Oriental Mindoro Governor Arnan Panaligan. "Many vehicles and passengers are waiting because the Coast Guard and the Maritime Industry Authority are very strict in limiting the number of passengers and vehicles that can board the vessels," he said. Close to 2,000 passengers have been at the port area at any given time since Saturday, said Lieutenant Algier Ricafrente, station commander of the Calapan Coast Guard. Outside the port area was a long queue of vehicles extending up to about five kilometers, Ricafrente said. He said there has been no cancellation of trips but the number of passengers was just too much.

Thirteen vessels were scheduled to sail in the morning and 11 at night. A ferry leaves every hour. Panaligan said he had convened an emergency meeting to address the crisis.

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"I convened an emergency meeting with the Philippine Ports Authority, Coast Guard, Philippine National Police, and shipping companies to address the problem," he said. Panaligan said cargo vehicles carrying agricultural products would be given high priority to board the 12 roll-on roll-off vessels plying the Calapan-Batangas route.

He said he has also asked maritime officials to allow the fielding of additional ships to Calapan port to ferry to Batangas the growing number of stranded passengers and vehicles. "I have asked Marina to grant special permits to shipping companies to field additional vessels in the Calapan-Batangas route to accommodate the passengers and vehicles," Panaligan said.

Coast Guard and local port authorities have tightened their checks on outgoing vessels to make sure these are not overloaded, that these are balanced and in good working condition without any damage, and its rolling cargoes are properly tied. At least two ferries sunk during the holidays, **MV Catalyn B** and **MV Baleno 9**, leaving several dead and scores missing. **Source : Inquirer Southern Luzon**



The Hurtigruten ferry **NORKAPP** seen on its way south from Sandnessjoen, Norway against the background of Skorpa
Photo : Bob Eadie (c)

India's Shipping ministry to double cost estimates of Sethusamudram project

Reports in the Indian press say the Indian Ministry of Shipping is nearly doubling the initial cost estimates for the controversial Sethusamudram Ship Channel Project, which aims to dredge a navigable channel through the Palk Strait between India and Sri Lanka.

"Initially, the project was to be developed at an estimated cost of Rs 2,400 crore. But we are revising the cost estimates, part of which would be requested for immediately to clear dues pending to the Dredging Corporation of India (DCI)," a senior official in the ministry told Business Standard.

The new estimates, which would soon be sent for approval to the Public Investment Board, were likely to be revised further, depending on the alignment suggested for dredging the channel in the Pachauri Committee report, the official added.

Initially, the project had been sanctioned at a cost of Rs 2,427 crore. The ambitious project was planned to be funded on a debt-equity ratio of 1:1.5. However, because of uncertainties the project is fraught with, the Sethusamudram Corporation Ltd has not been able to raise loans.

Currently, work on the channel has come to a standstill due to unavailability of resources. Dredging work in the Adam's Bridge area, too, is temporarily suspended based on an order passed by the Supreme Court in September 2007.

The Supreme Court had suggested that an alternative alignment between Dhanushkodi and Lands End in Rameshwaram Island be examined for creating the channel.

Accordingly, the government constituted an expert committee under the chairmanship of R K Pachauri in July 2008 to examine the feasibility of the alternative alignment keeping in view the technical aspects, cost benefit analysis, socio-cultural and environmental impact and law and order matters. **Source : Dredging News Online**

Second rig for Greenland

Another drilling rig has been sourced to carry out exploration drilling offshore Greenland by London-listed Cairn Energy. Cairn says it will be taking the **Stena Don** up to the frozen continent for drilling in the Disko West licence area off Western Greenland in the second half of this year, joining the **Stena Forth** which has already been booked for exploration slots there.



Stena Don has been contracted to start operating in the summer drilling season in Greenland, between June and October, and the fifth-generation dynamically positioned semi-submersible will work there with the **Stena Forth** which is awaiting final regulatory approvals from the Greenland government.

Photo : Jeroen Borst ©

"We can now look forward to drilling up to four exploration wells in the un-drilled Baffin Bay Basin offshore Disko West later this year," said Dr Mike Watts, Cairn's deputy chief executive.

"The acceleration of this exploration activity off the west coast also provides us with flexibility to include the previously unmapped and un-drilled basins off the southern coast of Greenland in our planned future drilling programmes," he added. **Source : Offshore 247**

Otto Marine's subsidiary Reflect secures another seismic contract

- OMV New Zealand Limited has given a contract to Otto Marine's subsidiary, Reflect, to conduct seismic survey off the south east of the South Island of New Zealand and provide 2D data

- The value of the contract is USD3.9 million Singapore, 4 January 2010 – Otto Marine Limited, ("Otto Marine" or the "Group"), a leading offshore marine company which specializes in building complex offshore support vessels

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and ship chartering, is pleased to announce that its subsidiary, Singapore-based Reflect Geophysical Pte Ltd ("Reflect") has secured a USD3.9 million contract from OMV New Zealand Limited ("OMV") to conduct 2D seismic survey and provide relevant data. The survey would be conducted off the south east of the South Island of New Zealand and Reflect would be using the seismic vessel "Bergen Resolution" for this survey. This vessel is chartered by Reflect on a two years contract with a European shipowner (not related to the Otto Group). Bergen Resolution is to acquire approximately 2,656.7 kilometers of 2D data in New Zealand's Great South Basin. The survey will start on or about 30 December 2009 to acquire the 2D data (line seismic information).

This contract win comes soon after Reflect secured the USD10 million contract in November 2009 from Crown Minerals, the arm of the Ministry of Economic Development of New Zealand that manages the oil, gas, mineral and coal resources of New Zealand. Reflect offers a number of services that support the Oil and Gas exploration industry. Backed by a strong Asia Pacific regional support, Reflect offers marine acquisition, data processing and multi-client services for its vendors. Reflect was founded by a number of the most experienced people in the geophysical industry, who have spent a large number of years in very senior positions within some of the largest Geophysical companies in the world. **Source : Otto Marine**



Bourbon Monsoon (Left) and **Bourbon Topaz** (Right) seen alongside at Coastbase, Botnafjorden near Sandnessjoen Norway
Photo : Bob Eadie (c)

Gulf shipping sector to pick up speed

Having weathered the perfect storm that ensued the global economic meltdown, the shipping industry in the Gulf is more optimistic about the future than its global counterparts. Joel Rodricks, Director, Sales and Marketing, at Maersk Kanoo, Dubai, said: "The UAE and GCC have been more stable markets and despite the global recession we did not see such a huge impact in this market. "The real estate and construction market has been most affected, but trading activity albeit slow, has continued to be healthy. A number of industrial projects are on track for completion and we shall see healthy growth of export volumes in the petrochemical and aluminium sector.

"This will no doubt be good for the shipping volumes from the region so we are forecasting increased business in 2010. "We have seen a recovery in volumes in the second half of 2009, which has been positive," said Rodricks.

"Volumes in last months of the 2009 have been higher than what we witnessed in late 2008, which indicates that 2010 will start off much better than 2009.

"Rates have climbed up with shipping lines laying up vessels to reduce capacity and running cost. This has brought about a better balance in supply and demand and will help shipping lines cut losses. As trade volumes pick up lines will no doubt consider bringing some vessels out of lay up. The timing will be critical and will determine how the market

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reacts in the new year," he said. Shankar Subramoniam, General Manager for UAE at Clarion Shipping, said: "The first two quarters are going to be tough with low movement. "There is an expectation that during the fourth quarter things may move up. All this is based on the market intelligence. A great deal depends on the overall industry growth in the region. There will be some niche market around the Middle East performing better, which will attract vessels to the UAE." "The major advantage the UAE has over other ports is the infrastructure and flexible clearing procedure," said Subramoniam. "There are lots of intermodal options available from the UAE, which attract many shipping companies to bring in material to the UAE compared to other GCC ports."

When asked on the advantages the UAE and the GCC have in terms of the shipping business next year, Subramoniam said: "The UAE ports have one of the best connectivity and economical land transport options that attract ships." He said in today's difficult market and low freight rate regime, it was an attractive option for shipping lines to operate to and from the UAE. "The UAE plays a major role as a transshipment hub for the Middle East and Asian destinations. There is better economic growth in India and China. Hence, the UAE can be a transshipment hub for these countries as vessel owners prefer the UAE as a transit point for efficiency and cost," he said. According to Fazel A Fazelbhoy, CEO of Topaz Energy and Marine, Dubai, the Gulf is uniquely positioned in terms of its geographical importance to global trade. "When the US and Europe start posting strong growth and consumer confidence increases, as is already happening in China, the GCC stands to benefit significantly from the upswing in vessel traffic," said Fazelbhoy. "The well-developed port facilities in the region will also facilitate a swift recovery. The Offshore Support Vessel (OSV) sector is more closely tied to the exploration and production spend of international and national oil companies and with a projected oil price of over \$70 per barrel, we are cautiously optimistic of the sector's prospects in 2010," he said. He, however, said the global shipping industry as a whole had been under pressure during 2009 and would continue to feel the same during 2010. "The general shipping industry is dependent on the global recovery and the shipment of goods, and as long as we are in a climate of less-than-stellar growth, the big bulker, tanker and container lines will have to get used to low rates and thin margins," said Fazelbhoy. "However, the OSV segment of the industry that Topaz operates in, is the relative bright spot of shipping. The market is continuously growing as a result of the increasing importance of offshore oil and gas fields across the world with Brazil's Tupi field and Kazakhstan's Kashagan field as the prime examples," he said. "The OSV sector has been affected by the crisis with reductions in day-rates and softening demand, although not nearly as significant as other shipping sectors. While concerns of oversupply in the short term remain, we believe there is still opportunity for progressive OSV-operators with modern, high-spec fleets with exposure in the right geographies," said Fazelbhoy.

Caught in the global financial whirlwind, the shipping industry is finding it tough to wriggle its way out. The unexpected trough in global trade volumes in 2009 has had severe knocks on the global shipping industry, bringing a streak of unmitigated bad luck to this largest mode of global transportation and trade. The double jeopardy is that recovery in shipping is not going to come out of its own. In view of the fact that as much as 80 to 90 per cent of the global trade is carried by sea, any signs of recovery in the seaborne trade or demand for shipping services is entwined with the pace and manner of the global economic recovery this year. That means until the global demand for liquid bulk, dry bulk, containerised shipment, and general cargo picks up, a number of ships are going to keep their anchors down in most parts of the world. The shipping industry is going to be in rough waters in 2010. This is what the consensus seems to be. According to the United Nations Conference on Trade and Development's (Unctad) Review of Maritime Transport 2009: "Some challenging times lie ahead for the shipping industry and international seaborne trade. Forecasts for seaborne trade have been marked downwards, with dry bulk – the mainstay of the boom experienced over the past few years – projected to fall sharply.

"Experts at Fearnleys, a leading shipbroker, expect world seaborne trade to fall by 1.4 per cent in 2009, before turning around and growing at a slower rate of two per cent of 2010," it said. Similar is the forecast by the International Chamber of Shipping, [the international trade association for merchant ship operators] and International Shipping Federation [international employers' organisation for ship operators]. According to their joint report titled 'Annual Review 2009': "Shipping is notoriously volatile, and its more experienced practitioners are familiar with the cyclical boom and bust nature of maritime freight rates. "However, the contraction resulting from the general global downturn could well be exacerbated by the large number of new buildings due to come into service during the next few years, notwithstanding efforts by many shipowners to cancel or renegotiate contracts. Many of these ships were ordered at high prices at the top of the market."

"In the face of two-way pressure, there is likely to be a considerable increase in the number of older vessels sent for dismantling and recycling," the report said. The report, however, also said: "Notwithstanding the current gloom and doom, the longer-term outlook for the [shipping] industry remains very good. The world's population continues to expand, and emerging economies will continue to increase their requirements for the goods and raw materials that shipping transports so safely and efficiently. "In the longer term, the fact that shipping is the most fuel-efficient and carbon-friendly form of commercial transport should work in favour of an even greater proportion of world trade being carried by sea." Michelle Byrne, Head of Shipping and Freight Transport, Business Monitor International (BMI), the global industry research and analysis firm based in London, said: "Shipping lines are continuing to try and combat overcapacity by laying up vessels and in some cases scrapping ships. "We expect the threat of overcapacity to continue as large order books still plague the shipping lines despite firms deferring and cancelling vessels."

Analysts also point out that apart from the global downturn, there is another equally debilitating factor looming large over the shipping industry – the threat of piracy and high fuel cost.

The Unctad report said: "The current preoccupation with the financial crisis and global recession should not play down concerns over other challenges that affect maritime transport and seaborne trade. These include, for example, security at sea, which is being challenged by a surge in piracy incidents in key strategic transit points such as the Gulf of Aden." According to London-based EA Gibson Shipbrokers, the tanker market encountered the recession a little later than other shipping markets. "The tonnage supply situation will continue to be a major headache in 2010 although any prolonged floating storage may provide considerable support to the tanker market. This year will be a challenging year even with the anticipated revival in oil demand," it said. **Source: Emirates Business**



The **SKULD** arrived in Rotterdam to collect a barge - **Photo : Wil Kik (c)**

PetroChina pulls out of \$40bn Aussie gas deal

Energy giant PetroChina Co. Ltd. has pulled out of a \$40 billion deal to buy natural gas from a project off Australia, leaving Woodside Petroleum Ltd. looking for new customers. Woodside informed Australia's stock exchange on Monday that an early stage agreement for the Browse Basin liquefied natural gas project off Western Australia state had not been settled by a Dec. 31 deadline and had now lapsed.

Under the September 2007 agreement, PetroChina would potentially buy up to three million metric tons (3.3 million tons) of LNG per year from the project for up to 20 years. At the time, the agreement represented one of Australia's largest export deals with an estimated worth of AU\$45 billion (\$40 billion). **Source : Seatrade Asia**

Odfjell wins pyrrhic victory

Norwegian parcel tanker shipowner Odfjell has won its arbitration case in Stockholm against the large Russian state-owned shipyard Sevmash over the non-delivery of 12 ships contracted in 2004. Odfjell says in a statement: "Whilst winning our main point, that of Sevmash being guilty of wilful misconduct, nevertheless we are seriously disappointed about the damages awarded, only USD 43.76 million. This figure is but a fraction of the value of our lost bargain, and of our trading losses. The first ship should have been delivered in September 2007. By the time we felt compelled to cancel the contracts, in February 2008, by the shipyard's own account the first ship was then delayed by 14 months etc."

Sevmash was ordered to pay 75% of the arbitration costs. The Odfjell fleet comprises over 90 ships, trading worldwide. **Source: Odfjell**

Record scrapping of container ships

A record 370,000 TEUs of ship capacity was scrapped in 2009 – an amount equal to the cumulative capacity scrapped over the past decade – says Shipping Gazette quoting figures compiled by Alphaliner, the Paris-based consultancy agency. This is the largest ever recorded level of scrapping of capable container ships largely because the owners struggle to find employment for surplus vessels. According to figures, 200 container ships were sold for scrap in 2009, including the 17-year-old Hyundai Admiral (capacity 4651 TEUs). With this high level of scrapping, the average age of vessels demolished has dropped to 27 years, thus reversing the trend in last five years when even vessels of 30 years were operated. **Source: The Hindu Business Line**



The **MARIANNE SCHULTZ** seen enroute Rotterdam – **Photo : Kees Torn (c)**

French Container Traffic Stops

Container handling is at a standstill Jan. 4, at France's seven largest ports as dockworkers stage the first of two 24-hour strikes to protest government reforms of box terminal operations. Around 3,300 dockworkers and port workers have walked off the job at Le Havre, France's biggest container port, halting all general cargo and bulk traffic. Oil products traffic and ferry services to and from the UK are operating as normal.

Marseilles, France's biggest port, has also been seriously affected by the strike with most cargo traffic at a standstill and 17 ships prevented from sailing. Crude oil shipments and ferry sailings to North Africa have not been affected by the walkout.

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Dockworkers are also striking at Dunkirk, Rouen, Bordeaux, Nantes-Saint Nazaire and La Rochelle. The CGT union, which represents most French dockworkers, called the strike to protest what it says is the government's failure to honor a pledge to create up to 30,000 new waterfront jobs as part of a reform program at publicly owned ports. The most controversial part of the reform is the transfer of around 2,000 container crane operators and terminal maintenance staff from port authority payrolls to private stevedores.

The union has called a second strike next Monday, Jan. 11, if the government does not respond to dockworkers' grievances. Dockworkers staged three months of rolling strikes in early 2008 but called off their action after Parliament voted for the reforms. The union resumed industrial action with a 24 hour nationwide port strike Nov. 6 claiming the government has done nothing to improve dockworkers' job security while spending billions to bail out banks and auto manufacturers. The government says the reforms will improve productivity at French ports and attract an estimated two million containers of imports and exports that are currently shipped through foreign ports, including Rotterdam, Antwerp and Barcelona. **Source: Journal of Commerce**

Mother Theresa said :

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OLDIE – FROM THE SHOEBOX



Above seen a photo of various ships in Rotterdam harbour, as seen from a tugboat on a photo club trip in 1966.

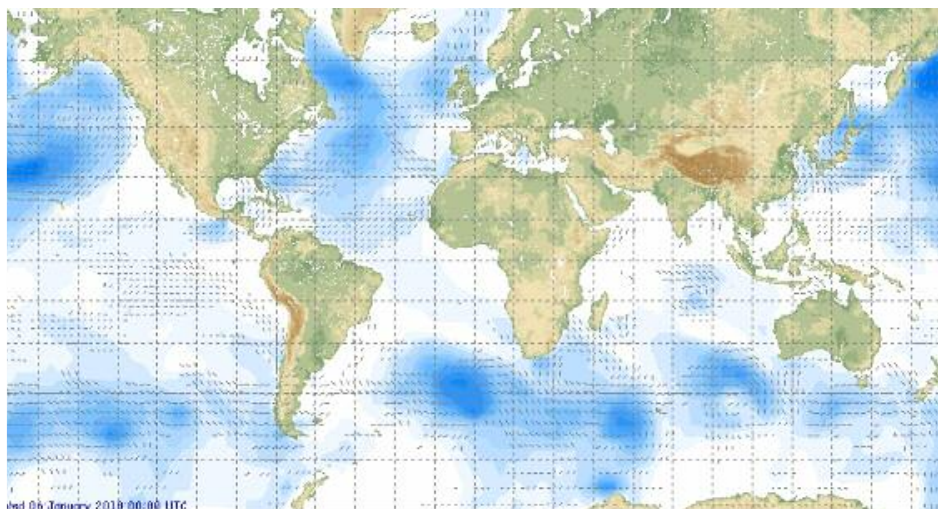
Photo : Frits Warmink ©

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Today's wind (+6Bft) and wave (+3m) chart. Created with SPOS, the onboard weather information & voyage optimisation system, used on over 1000 vessels today.

.... PHOTO OF THE DAY



Another photo of the new **SMIT TIGER** arriving in Rotterdam

Photo : Hans Hoffmann © (thanks to Max & Jan)

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